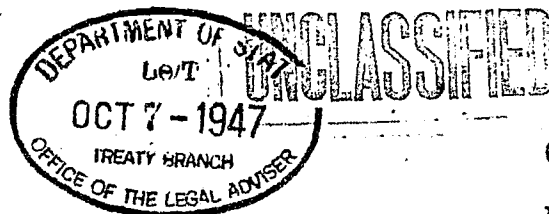


INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH



A

Control 867

Rec'd October 3, 1947
10:03 a. m.

4

Action: TTP

Info :

S/S FROM: Rome

U-E

C

TO: Secretary of State

EUR

LE

NO: 3033, October 1, 1947, 7 p. m.

OCD

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Commercial treaty No. 8. First joint examination of draft treaty with Italian delegation completed September 29. Additional meeting to be held this week for clarification of certain points. Summary of results of discussions not previously reported follows:

Articles 19, 21, 25, 26, 28, and present provisions of protocol accepted without change.

Article 20. Apparently acceptable but question raised by Italians whether their regulations as to transportation of emigrants may not be in conflict with paragraph 3. Further reference will be made to this in discussions.

Article 22. Italians state that they cannot agree to MFN treatment as to coasting trade and inland navigation. Present policy is to exclude foreign shipping. MFN objectionable for reason that number of old treaties grant right of participation to certain countries which have apparently seldom exercised rights and government wishes to make ostensibly reciprocal agreements with countries such as Yugoslavia and Albania which have no important shipping. Department requested send instructions on this point as soon as possible.

Article 23. Italians point out that under Italian laws and regulations stateless persons may be denied transit

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY A J Bunn

DATE 9/19/73

permits. Although

RDS ☐ or KDE ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☐

DECLASSIFIED ☒ RELEASEABLE ☒

RELEASE DENIED ☐

PA or FOI EXEMPTIONS

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4/16/79 SMFoggia

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-2- #3033, October 1, 1947, 7 p. m. from Rome

permits. Although such permits are usually granted special precautions are taken to prevent stateless persons remaining in Italy. They suggest substitution of some such phrase as "for persons, whether nationals of the other HCP of of any third country" in lieu of present introductory phrase in item (a). Italians also wish to know whether this article would require them to grant transit to persons previously expelled from Italy for reasons of public order. They are inclined to rely on police laws exception in Article 24 to permit them to enforce existing regulations as to expelled aliens and stateless persons. Embassy representatives have not encouraged this and have also hesitated to refer to immigration laws exception as applicable to this article pending receipt of instructions as to Italian proposal regarding their police regulations on sojourn of foreigners (MYTEL 2961, September 26). Instructions requested as to applicability of police laws exception to transit article and to treaty generally

Article 24. Italians propose addition in paragraph one, of exception re exportation of objects of artistic and historical value. Embassy suggests that it be authorized to propose insertion of sub paragraph (V) paragraph 1 Article 26 proposed treaty with China. In informal conversation Italians objected toward "treasure" as limiting exception, when translated into Italian, to objects of highest value. It is thought however acceptance can be obtained on ground of general usage and acceptance by other nations.

Italians state that they may wish to propose a reference in paragraph 1 (E) or elsewhere in treaty to their proposed provision in additional protocol that the two parties undertake, under certain circumstances, to negotiate bilateral accord to replace the articles of agreement of IM Fund (MYTEL 3003, September 30).

With respect to paragraph 3, (B) Italians object to phrase "after consultation with the other HCP" as implying necessity of consent of other party to entry into Customs Union. They agree that sympathetic

consideration of

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DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

OUTGOING TELEGRAM

29/10/47
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INFORMATION
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Le VTR

9

Origin: TTP
Info:
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Control 913

October 3, 1947
7 p.m.



AMBASSY

ROME

1946

FOR DUNN AND SETSER

Following relate EMBTEL 3003, Sept 30 (as corrected).

For your information, Pennetta tentatively accepts, pending reference his Govt, agreement confirming continuance in force existing copyright protection.

Article XIII, para 3. Deletion authorized at discretion, provided minutes show this done at Italian request without affecting right to reservation in question; that Italians understand para calculated clearly; forewarn alien about consequences under US law for refusing military service; and that US policy likely continue such debarring.

Article XIV, para 4. Authorized record in minutes that public notice rule designed allow traders plan their operations when Govt administers import-export control system the implementation of which it is possible to establish in advance. ~~Term~~ QUOTE general rule UNQUOTE indicate ~~Term~~ not intended require obviously impossible notices when import system is necessarily

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functioning

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- 2 -

-2-, #1946 to Rome, Oct. 3, 1947, 7 p.m.
functioning on highly uncertain or day-to-day basis
dictated by present acute foreign exchange situation.

Additional protocol. Preamble. Authorized substitute QUOTE war against Germany UNQUOTE for QUOTE co-belligerency with Allies UNQUOTE.

Additional Protocol. Para 3. Distinguished from Article XIV, para 4, this notice not (repeat not) public notice, but only notification to other Govt for purpose allowing latter time to examine and discuss necessity invoking special privileges specified. Such notification need only incorporate intelligible statement concerning system of control, or significant changes therein, and contemplated commodity impact.

Article XV, para 1. Authorized strike word QUOTE pertaining UNQUOTE in third line and substitute QUOTE that have general application and that pertain UNQUOTE. This is adaptation ITO Charter language and thus preferable to Italian suggested wording. Rule refers to changes having significance for traders rather than isolated, routine or petty matters not actually changing classifications or duties.

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Article XV, para 2.

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- 3 -

-3-, #1946 to Rome, Oct. 3, 1947, 7 p.m.

Article XV, para 2. Italian objection somewhat unclear. Rule appears equitable as protecting commerce against application changes to completed transactions. Para would cover statutory interpretations by administrators resulting in higher duties than before interpretation and administrative rate increases pursuant to statutory authority such as under cost of production formula US Tariff Act or termination Trade Agreement concessions. There must be analogies in Italian practice. In any event, laws implicitly excepted from para.

Article XVI, para 1. Authorize add following para to protocol:

QUOTE During the period of recovery from the dislocations and destruction resulting from the recent War, the provisions of Art. XVI, para 1, of the Treaty shall not prevent the application by either HCP of controls to the internal distribution of imported articles that are not applied to like articles of national origin ^{produced} by enterprises of such small size as to preclude the practicability of effective control UNQUOTE.

Ref International
TRADE AGREEMENTS

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- 4 -

-4-, #1946 to Rome, Oct. 3, 1947, 7 p.m.

Ref International Monetary Fund. Authorized to
add following as separate sentence at end para 1,
Art. XXIV, as part of sub-paragraph (c):

QUOTE If the International Monetary Fund should
cease to function, or if either HCP should cease to be
a member thereof, the two HCP, upon the request of
either HCP, shall consult together and may conclude
such arrangements as are necessary to permit appropriate
action in contingencies relating to international finan-
cial transactions comparable with those under which
exceptional action had previously been permissible UNQUOTE.

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ACTING

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INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH



Control 1369

Rec'd October 4, 1947
5:59 p. m.

15

Action: TTP

Info:

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FROM: Rome

TO: Secretary of State

NO: 3063, October 3, 4 p. m.

Commercial treaty No. 9. Further discussions held with Italian del October 2 on paragraph one article XI. In talks September 23 Italians state that Vatican objected to this paragraph as conflicting with Lateran agreements. They seemed to think then that difficulty lay in reference to corporations and associations assuming that Vatican authorities had interpreted this clause as had Italians to accord right to form corporations without regard to Italian law which requires compliance with certain formalities by religious associations before they may enjoy certain privileges such as right for their ministers to perform marriages. Italians proposed as formula for removing difficulty modification of final clause as follows: "provided that their teachings or practices are not contrary to constitution of either country" explaining subsequently that it was intended that religious freedom should be enjoyed in US according to US constitution and in Italy according to Italian constitution. Religious provisions of new Italian constitution which have been approved by Constituent Assembly contain broad guarantees of religious liberty subject to rule of public order but also incorporate by ref provisions of past and future agreements with Vatican. (See my 245 March 5 and MYTEL 638 A Mar 26). Embassy representatives stated that they did not understand paragraph to accord any rights as to recognition or formation of corporations or associations these matters being governed by national and most favored nation treatment provision of articles one, two and three. They suggested that Italian Government invite attention of Vatican authorities to these articles and inquire whether they did not remove difficulty. They also stated that they doubted that reference to constitutions would be acceptable to Department

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INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

15

Action: ITP

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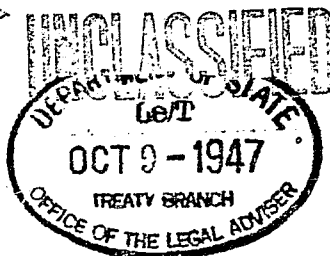
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CORRECTED PAGES 2 and 3
10-8-47 6 a.m.
CORRECTIONS UNDERSCORED

-2- #3063, October 3, 4 p.m., from Rome. Control 2174

since principle of religious liberty should not be made subject to changes in fundamental laws. At meeting on October 2, Italians stated informally and in confidence that Papal Nuncio had been consulted and had stated most emphatically that paragraph is considered in conflict with Lateran agreements and that if Italy accepted its provisions they would be made subject of most vigorous representations to Italian Government.

Ground of objection is quite different from that previously supposed. With reluctance and requesting that no record be made in minutes Lombardo stated that Nuncio object to all paragraph except initial statement of right to freedom of conscience and freedom of worship and seeks to oppose any commitment by Italians to recognize any general right of Protestants to establish places of worship. Lombardo clearly did not wish to associate his delegation wholly with this position.

Only provision of Lateran pacts that would appear to offer slightest justification for Nuncio's position is in article one of concordat as follows: "in consideration of sacred character of Eternal City, Episcopal seat of supreme pontiff, center of Catholic world and goal of pilgrimages, Italian Government will undertake to prevent in Rome all that can be in conflict with that character." Italian Government is understood to have taken measures in part to prevent Protestant establishment in locations where they would seem to encroach upon Catholic establishments and probably wish to retain freedom of action to prevent any public demonstration that would appear unseemly to Vatican. Italian delegation was not entirely clear whether Nuncio was concerned about Protestant establishments in Rome only or throughout Italy.

Lombardo suggested that Embassy might take up matter directly with Vatican in effort to obtain reasonable

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-3- #3063, October 3, 4 p.m., from Rome. Control 2174

consideration for proposals. While we would oppose such a step Embassy would wish to receive from Department some interpretation of provisions of paragraph and some indication of importance it assigns to religious provisions as matter of policy in case Vatican should approach us; and before further discussions with Italian Government. Whether rule of article XI would permit restrictions on non-Catholic activities as Italian Government may have in mind would appear to depend upon construction to be given phrase "within any other appropriate buildings". If this is intended to accord to worshippers right to use any building or site whatever that they can purchase or otherwise acquire there is probably a conflict with concordat. If, however, intent is that they should be permitted to acquire and use some appropriate buildings there would seem to be no reasonable basis for objection. Lombardo suggested delegation of reference to other appropriate buildings and insertion of words "and premises" after word "houses" saying that this would give Americans all rights of present language and offer smaller target for criticism. Italians have objected to words "or otherwise" after words "religious belief" presumably because they think phrase would prevent "molestation" of non-Catholic activities which might be considered "unseemly" or "contrary to public order". It is of interest that neither Italian delegation nor Vatican objected to religious activity provisions in articles one, two and three.

Italians propose that initial clause of paragraph three D article XXIV be modified as follows: "advantages now or hereafter accorded by Italian Republic to San Marino, free territory of Trieste and State of Vatican City". This proposed exception from Vatican City had nothing to do with religious liberties, but relates to certain concessions granted by Italy to Holy See in Lateran agreements and subsequent accords relating to

such matters

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MAM:ECW

03:10:07:00

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THIS: JAM

NOTE: Verification of undelivered portion and apparent omission has been requested.

(*) apparent omission

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such matters as transportation, communications, monetary arrangements, extra-territorial rights for Vatican officials, church dignitaries and religious associations dependent upon Holy See exemption of church property from taxation, etc. It seems clear that Italy could not agree to treaty without such an exemption and it does not appear that any American interest would be adversely affected by it. Embassy recommends that Department authorize its acceptance. Italian delegation states that it considers necessary in addition an exchange of notes or other interpretation defining exemption in more specific terms and referring to Italian agreements with Holy See as well as Vatican City. This matter will be discussed further at later meeting.

-4- #3063, October 3, 4 P. M. from Rome

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